

September 9, 2004

Hon. John D. Dingell
U.S. House of Representatives
2328 Rayburn House Office Building
Washington, DC 20515-2215

Dear Representative Dingell,

If Congress does not take action, an estimated \$1 billion in State Children's Health Insurance Program (SCHIP) funds from prior years will expire on September 30, 2004. States need these funds to maintain and expand SCHIP coverage of children in low-income working families. In fiscal year (FY) 2003, states provided health care to 5.8 million children through SCHIP.

As organizations committed to children's health, we urge Congress to act expeditiously on the Children's Health Protection and Improvement Act. The bill was introduced in the Senate by Senators Chafee, Rockefeller, Kennedy and Snowe, and in the House by Representatives Barton and Dingell. This legislation, which has been endorsed by the National Governors Association, would keep all SCHIP funds in the program and available to states through FY 2007, when the SCHIP program will need to be reauthorized by Congress. The proposal builds on last year's SCHIP legislation, which was unanimously approved by Congress, by allowing states with expiring funds to retain a portion while redistributing the remainder to the states most in need of that funding to preserve coverage.

All told, the Children's Health Protection and Improvement Act (S. 2759 and H.R. 4936) would make approximately \$1 billion in additional SCHIP funds available to states in FY 2005, an additional \$900 million available in FY 2006 and an additional \$850 million available in FY 2007, relative to current law. Virtually all states would have more SCHIP funding available under the proposal.

At the end of this fiscal year, an estimated \$1.07 billion in FY 1998, 1999 and 2000 SCHIP funds will expire and revert to the federal treasury. S. 2759/H.R. 4936 would allow the states with these expiring funds to retain 30 percent, while redistributing the remaining 70 percent to the states most in need of additional funding, and would make the funds available through 2007.

The Children's Health Protection and Improvement Act would also preserve the FY 2001 SCHIP funds, which would otherwise expire at the end of the next fiscal year. In addition, the legislation would extend the availability of FY 2002 and 2003 SCHIP funds by building on last year's consensus legislation.

Under current law, states have three years to spend their SCHIP allotments for each of fiscal years 2002 through 2004. After three years, 100 percent of the unspent funds from a fiscal year will be redistributed to states that spent all of their SCHIP allotments for that year. These states will have only one year to spend the redistributed funds. Last year Congress changed the treatment of FY 2000 and 2001 funds to allow states with unspent funds (after three years) to retain 50 percent, with the remainder redistributed. States were given two years to spend the redistributed FY 2000 and 2001 dollars. The Children's Health Protection and Improvement Act would apply this same formula to FY 2002, 2003 and 2004 SCHIP funds, striking an appropriate balance between giving states more time to use their unspent funds and redistributing funds to states that need those dollars to maintain coverage.

According to Center on Budget and Policy Priorities estimates, under current law next year seven states may not have sufficient federal SCHIP funding (even including redistributed funds) to cover all of the children enrolled in their programs. As many as 17 states could face SCHIP funding shortfalls by FY 2007. The Children's Health Protection and Improvement Act would be an essential first step in addressing these looming SCHIP funding shortages.

Given the short legislative calendar this year, we urge Congress to act on this bill without delay. We look forward to working with you to enact this critically important legislation.

For more information, please contact Emil Parker at the Children's Defense Fund (202-662-3565), Edwin Park at the Center on Budget and Policy Priorities (510-835-2718), Lena O'Rourke at Families USA (202-628-3030) or Jennifer Michael at the American Academy of Pediatrics (202-347-8600 ext. 3002).

Sincerely,

9to5 Colorado

100% Campaign: Health Insurance for Every California Child

Advocates for Children and Youth, Inc., Baltimore, MD

Alliance for Children and Families

Ambulatory Pediatric Association

American Academy of Pediatrics

American Dental Education Association (ADEA)

American Dental Hygienists' Association

Association of Maternal & Child Health Programs

Bilingual Health Services, Hawaii State Department of Health

Boston Urban Asthma Coalition

Bridgeport (CT) Child Advocacy Coalition
Brightwood Community Center, Indianapolis, IN
Buncombe County Department of Social Services, Asheville, NC
CareOregon, Inc.
Center on Budget and Policy Priorities
Center for Children with Special Needs, Connecticut Children's Medical Center
Children's Action Alliance
Children's Advocacy Institute (California)
Children's Alliance of New Hampshire
Children's Defense Fund
Children's Hospital at Dartmouth, Lebanon, NH
Citizens for Missouri's Children
Coalition for Healthy Maryland Children
Coalition of Religious Communities (Utah)
Coalition on Human Needs
Collaborative Center for Justice, Inc.
Community Council of Greater Dallas
Congregation Justice Committee - Sisters of the Holy Cross, Notre Dame, Indiana
The Coordinating Center, Millersville, MD
The Dallas Concilio of Hispanic Service Organizations
Dartmouth-Hitchcock Manchester
Durham, NC Health Choice Coalition
Evangelical Lutheran Church in America
Fairfax County Head Start Program
Families USA
Family Violence/Rape Crisis Services of Chatham County, North Carolina
Family Voices
First Candle/Sudden Infant Death Syndrome Alliance
FOOD Share Inc., Oxnard, CA
Hillsborough CARES
Hispanic Services Council, Tampa, FL
Indiana Coalition on Housing and Homeless Issues (ICHHI)
Indiana Institute for Working Families
John Rex Endowment
Lafayette Urban Ministry, Lafayette, IN
Learning Disabilities Association of America
Listening Ear Crisis Center, Alexandria, MN
Lutheran Coalition for Public Policy in Minnesota
Lutheran Network for Justice Advocacy, Des Plaines, IL
Lutheran Office of Governmental Ministry - New Mexico
Lutheran Office for Public Policy in Wisconsin
Lutheran Office of Public Policy - California
Lutheran Social Services of Illinois
March of Dimes
Maryland Association of Resources for Families and Youth
Maryland Committee for Children

Maryland Developmental Disabilities Council
Maternity Care Coalition, Philadelphia, PA
Medicine-Pediatrics of Nashua (NH)
Michigan League for Human Services
Mid-Atlantic Juvenile Defender Center
Morris County National Organization for Women, Morris County, NJ
National Advocacy Center of the Sisters of the Good Shepherd
National Association of Children's Hospitals
National Association of County and City Health Officials
National Association of Pediatric Nurse Practitioners, Virginia Chapter
National Association of School Psychologists
National Association of State Mental Health Program Directors
National Council of Jewish Women
National Health Law Program
National Mental Health Association
National Organization on Fetal Alcohol Syndrome
National Partnership for Women and Families
National Women's Law Center
Nebraska Appleseed Center
New Hampshire Pediatric Society
New Mexico Voices for Children
Philadelphia Citizens for Children and Youth
Premier, Inc.
Presbyterian Church (U.S.A.) Washington Office
Project Child, Lehigh Valley, PA
Protestants for the Common Good, Chicago, IL
Public Justice Center, Baltimore, MD

RESULTS

School Social Work Association of America
Services for Multicultural Students, Weber State University
Services for Women Students at Weber State University
SLHDA Head Start, Scranton, PA
So Others Might Eat (SOME)
Society for Adolescent Medicine
Student-to-Student Program at Weber State University
Title II Community AIDS National Network (TIICANN)
Unitarian Universalist Association of Congregations
United Food and Commercial Workers International Union
Utica Citizens in Action
Valley Community Church, Richfield, UT
Virginia Poverty Law Center
Voices for Children of Greater Cleveland
Voices for Children of San Antonio
Welfare Law Center
Youth on the Move, Open Door Resource Center, Furman, AL